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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

Ex parte JOSEPH CACHEY, DEAN SEIFERT, MARK THOMPSON,
JUDY FLEMING, CAROL DARLAND, and KENNETH ALGIENE

Appeal 2016-001281
Application 10/321,783¹
Technology Center 3600

Before, ANTON W. FETTING, JOSEPH A. FISCHETTI, and BIBHU R.
MOHANTY, *Administrative Patent Judges*.

FISCHETTI, *Administrative Patent Judge*.

DECISION ON APPEAL

STATEMENT OF THE CASE

Appellants seek our review under 35 U.S.C. § 134 of the Examiner's final rejection of claims 45–48, 50–58, and 74–81. We have jurisdiction under 35 U.S.C. § 6(b).

¹ Appellants identify Western Union Company of Englewood, Colorado as the real party in interest. Br. 2.

SUMMARY OF DECISION

We AFFIRM.

THE INVENTION

Appellant claims methods and systems for checking an identity of a customer before authorizing a transaction. (Spec. 1).

Claim 45 reproduced below, is representative of the subject matter on appeal.

45. A method for processing a money-order request, the method comprising:

maintaining, at a transaction computing device, a list of prohibited persons;

collecting, at the transaction computing device, name information from a customer as part of the money-order request;

instructing a money-order dispenser to issue a requested money order with the transaction computing device, the money order having a serial number;

associating the name information with the serial number with the transaction computing device;

comparing, by the transaction computing device, the name information with the list of prohibited persons, wherein comparing the name information comprises performing a partial name comparison with entries on the list of prohibited persons;

flagging, by the transaction computing device, the money-order request if the name information matches an entry on the list of prohibited persons;

declining to authorize payment of the money order if the name information matches an entry on the list of prohibited persons; and

periodically, by the transaction computing device, reviewing collected name information to identify anomalous repetition of certain names, wherein reviewing collected name information comprises performing a statistical analysis of collected name information.

THE REJECTION

Claims 45–48, 50–58, and 74–81 are rejected under 35 U.S.C. § 101 because the claimed invention is directed to non-statutory subject matter.

ANALYSIS

35 U.S.C. § 101 REJECTION

We will affirm the rejection of claims 45–48, 50–58, and 74–81 under 35 U.S.C. § 101.

Each of independent claims 45, 74, and 78 requires in one form or another, *viz.* 1) maintaining a list of prohibited persons; 2) collecting name information from a customer as part of the money-order request; 3) instructing a money-order dispenser to issue a requested money order, the money order having a serial number; 4) associating the name information with the serial number; 5) comparing the name information with the list of prohibited persons, wherein comparing the name information comprises performing a partial name comparison with entries on the list of prohibited persons; 6) flagging the money-order request if the name information matches an entry on the list of prohibited persons; 7) declining to authorize

payment of the money order if the name information matches an entry on the list of prohibited persons; and 8) periodically reviewing collected name information to identify anomalous repetition of certain names, wherein reviewing collected name information comprises performing a statistical analysis of collected name information. Appx. Claim 45.

The Supreme Court

set forth a framework for distinguishing patents that claim laws of nature, natural phenomena, and abstract ideas from those that claim patent-eligible applications of those concepts. First, . . . determine whether the claims at issue are directed to one of those patent-ineligible concepts. If so, we then ask, “[w]hat else is there in the claims before us?” To answer that question, . . . consider the elements of each claim both individually and “as an ordered combination” to determine whether the additional elements “transform the nature of the claim” into a patent-eligible application. [The Court] described step two of this analysis as a search for an “‘inventive concept’”—*i.e.*, an element or combination of elements that is “sufficient to ensure that the patent in practice amounts to significantly more than a patent upon the [ineligible concept] itself.”

Alice Corp., Pty. Ltd. v. CLS Bank Int’l, 134 S. Ct. 2347, 2355 (2014) (citations omitted) (citing *Mayo Collaborative Servs. v. Prometheus Labs., Inc.*, 132 S. Ct. 1289 (2012)).

To perform this test, we must first determine whether the claims at issue are directed to a patent-ineligible concept.

While the Court in *Alice* made a direct finding as to what the claims were directed to, we find that this case's claims themselves and the Specification provide enough information to inform one as to what they are directed to.

The steps listed above result in declining to authorize payment of the money order if name information matches an entry on the list of prohibited persons. The Specification at paragraph 2 recites that the "application relates to methods and systems for checking an identity of a customer before authorizing a transaction." In paragraph 4, the Specification describes

...anonymity provided by such transactions has been abused. This is of particular concern where the transaction is used as part of an illegal purpose or as part of providing funding for an illegal purpose, as may be the case when it is used, for example, in a money-laundering scheme. There is accordingly a general need in the art for structuring certain types of transactions that have a risk of being used for illegal purposes to mitigate or discourage such misuse.

Thus, all this evidence shows that the independent claims are directed to lowering the risk of illegal purposes in a financial transaction.

It follows from prior Supreme Court cases, and *Gottschalk v. Benson*, 409 U.S. 63 (1972) in particular, that the claims at issue here are directed to an abstract idea. Like the algorithm in *Gottschalk*, lowering the risk of illegal purposes in a financial transaction is a mathematical algorithm that preempts all implementations and uses. We find that lowering the risk of illegal purposes in a financial transaction is a fundamental economic practice

because fraud/illegal purposes debases the balance of economic equilibrium. Fundamental economic practices are an “abstract idea” beyond the scope of § 101. *See Alice Corp. Pty. Ltd.* 134 S. Ct. at 2356-57.

As in *Alice Corp. Pty. Ltd.*, we need not labor to delimit the precise contours of the “abstract ideas” category in this case. It is enough to recognize that there is no meaningful distinction in the level of abstraction between the concept of performing a mathematical algorithm in *Gottschalk* and the concept of lowering the risk of illegal purposes in a financial transaction at issue here. Both are squarely within the realm of “abstract ideas” as the Court has used that term. *See Alice Corp. Pty. Ltd.* 134 S. Ct. at 2357. That the claims do not preempt all forms of the abstraction or may be limited to the abstract idea in the financial services setting does not make them any less abstract. *See OIP Techs., Inc. v. Amazon.com, Inc.*, 788 F.3d 1359, 1360–1361 (Fed. Cir. 2015). Perhaps more to the point, claim 45 does no more than compare name information to evaluate if the orderer is trustworthy. Evaluating a person’s trustworthiness is the epitome of abstraction.

The introduction of a computer and computer-readable storage medium into the claims does not alter the analysis at Mayo step two.

the mere recitation of a generic computer cannot transform a patent-ineligible abstract idea into a patent-eligible invention. Stating an abstract idea “while adding the words ‘apply it’” is not enough for patent eligibility. Nor is limiting the use of an abstract idea “to a particular technological environment.” Stating an abstract idea while adding the words “apply it with a computer” simply combines those two steps, with the same

deficient result. Thus, if a patent's recitation of a computer amounts to a mere instruction to "implement[t]" an abstract idea "on ... a computer," that addition cannot impart patent eligibility. This conclusion accords with the pre-emption concern that undergirds our § 101 jurisprudence. Given the ubiquity of computers, wholly generic computer implementation is not generally the sort of "additional feature[e]" that provides any "practical assurance that the process is more than a drafting effort designed to monopolize the [abstract idea] itself."

Alice Corp. Pty. Ltd., 134 S. Ct. at 2358 (alterations in original) (citations omitted).

"[T]he relevant question is whether the claims here do more than simply instruct the practitioner to implement the abstract idea . . . on a generic computer." *Alice Corp. Pty. Ltd.*, 134 S. Ct. at 2359. They do not.

Taking the claim elements separately, the function performed by the computer at each step of the process is purely conventional. Using a computer to take in data and compute a result from a database amounts to electronic data query and retrieval—one of the most basic functions of a computer. All of these computer functions are well-understood, routine, conventional activities previously known to the industry. In short, each step does no more than require a generic computer to perform generic computer functions.

Considered as an ordered combination, the computer components of Appellant's method add nothing that is not already present when the steps are considered separately. Viewed as a whole, Appellants' claims simply

recite the concept of lowering the risk of illegal purposes in a financial transaction as performed by a generic computer. The method claims do not, for example, purport to improve the functioning of the computer itself. Nor do they effect an improvement in any other technology or technical field. Instead, the claims at issue amount to nothing significantly more than an instruction to apply the abstract idea of selecting a part using some unspecified, generic computer. Under our precedents, that is not enough to transform an abstract idea into a patent-eligible invention. *See Alice Corp. Pty. Ltd.* 134 S. Ct. at 2360.

As to the structural claims, they

are no different from the method claims in substance. The method claims recite the abstract idea implemented on a generic computer; the system claims recite a handful of generic computer components configured to implement the same idea. This Court has long “warn[ed] ... against” interpreting § 101 “in ways that make patent eligibility ‘depend simply on the draftsman’s art.’

Alice Corp. Pty. Ltd. 134 S. Ct. at 2360 (alterations in original).

We are not persuaded by Appellants’ argument that because the Office Action “does not reject the claims under §102 or §103... it must be true that that allowing such a claim to proceed to allowance would not preempt all implementations of the abstract idea itself.” (Appeal Br. 7). This is because the standard for patentability under 35 U.S.C. § 103(a) is obviousness, the standard for patentability under 35 U.S.C. § 102 is novelty, and the standard for patent eligibility under 35 U.S.C. § 101 is abstract idea.

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Each of these standards are separately required to be met before patentability can be conferred on invention, which is not the case here based on the latter standard.

Appellants do not argue the specifics of the dependent claims under this rejection. (Appeal Br. 5–7). Thus, we summarily sustain the rejection of these claims.

CONCLUSIONS OF LAW

We conclude the Examiner did not err in rejecting claims 45–48, 50–58, and 74–81 under 35 U.S.C. § 101.

DECISION

The decision of the Examiner to reject claims 45–48, 50–58, and 74–81 is affirmed.

No time period for taking any subsequent action in connection with this appeal may be extended under 37 C.F.R. § 1.136(a). *See* 37 C.F.R. § 1.136(a)(1)(iv).

AFFIRMED.